

State of California

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Legislative Change No.

08-15

Bill Number: SB 1064 Author: Hollingsworth, et al. Chapter Number: 08-386

Laws Affecting Franchise Tax Board: Sections 17207 and 24347.5 of the Revenue and Taxation Code

Date Filed with the Secretary of State: September 27, 2008

SUBJECT:

Disaster Loss Deduction And Excess Loss Carryover For 2007 Calendar Year, July 2007 Specified County Wildfires, October 2007 Riverside County Damaging Winds, May/June 2008 Specified County Wildfires, July 2008 Santa Barbara County Wildfires And Inyo County Rainstorms

Senate Bill 1064 (Hollingsworth, et al.), as enacted on September 27, 2008, made the following changes to laws impacting the Franchise Tax Board:

Sections 17207 and 24347.5 of the Revenue and Taxation Code are amended.

This act adds the following events to the current list of specified disasters under the personal income and corporation tax laws:

- The wildfires that occurred in Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura Counties during calendar year 2007;
- The damage that occurred in the Riverside county during October, 2007, as a result of strong winds;
- The wildfires that occurred in May or June, 2008, in Butte, Kern, Humboldt, Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz, Shasta, and Trinity Counties;
- The wildfires that occurred in July, 2008, in Santa Barbara County; and
- The July, 2007, wildfire and July, 2008, rainstorms that occurred in Inyo County to the list of specified disasters.

This act allows a taxpayer to elect to claim the loss either in the year the loss occurred or in the year preceding the loss. If a taxpayer elects to take the loss in the preceding year, this act allows the taxpayer to file an amended return immediately for the prior year. This act also allows special carry forward treatment for up to 15 taxable years for losses incurred as a result of the disasters.

This act is an urgency measure and is effective and operative immediately upon enactment.

This act will not require any reports by the department to the Legislature.

Assistant Bureau Director

Patrice Gau-Johnson

Date

11/03/08